

prior to vesting and any successor in interest by inheritance, devise, bequest, or operation of law, of such owner.

(f) *Trading With the Enemy Act.* The term “Trading With the Enemy Act” includes all amendments of such Act, and all orders, rules, and regulations issued or prescribed under such Act or any such amendment.

(g) *Property.* The term “property” includes money, the proceeds of property, income, dividends, interest, annuities, and other earnings, but does not include any property or interest or any of the foregoing which vested in the Attorney General or was otherwise acquired by the United States prior to December 18, 1941.

(h) *Property vested by or in the Attorney General.* The terms “property vested by the Attorney General” and “property vested in the Attorney General” include property conveyed, transferred, assigned, delivered, or paid to or held or controlled by or vested in the Attorney General, under the Trading With the Enemy Act.

(i) *Engaged in trade or business in the United States.* The term “engaged in trade or business in the United States” includes the managing and renting of real estate in the United States by an agent of the Attorney General or of the former owner duly authorized to execute rental agreements and to pay all taxes and charges incident to the repair and maintenance of such property, but does not include the mere renting or leasing of property under an agreement requiring the lessee or occupant to pay taxes and to make repairs or improvements.

(j) *Tax.* The term “tax” has the meaning stated in section 36(d) of the Trading With the Enemy Act as added by the Act of August 8, 1946.

**§ 303.1-2 Application of part.**

(a) *Property covered.* This part is applicable in connection with property vested in the Attorney General on and after December 18, 1941. It is not applicable in connection with property or interest in property so vested or acquired by the United States prior to December 18, 1941, which property or interest is governed by Treasury Decision 4168, approved June 21, 1928, as

amended by Treasury Decision 4254, approved January 7, 1929, and Treasury Decision 4514, approved January 18, 1935 (26 CFR (1938 ed.) 452.1-452.10).

(b) *Taxes covered.* Except as otherwise provided by specific exemption applicable with respect to the Alien Property Custodian, this part applies in the circumstances therein indicated, to any internal revenue tax applicable in respect of (1) property vested in the Attorney General or any action or transaction incidental to such property, or (2) any person whose property is so vested or any action or transaction of such person, whether the tax is applicable in respect of the period of vesting or any other period. Federal employment taxes are applicable with respect to wages paid to a person not a regular Government employee, permanent or temporary, for services immediately connected with the operation of an enterprise under control of the Attorney General such as might be rendered to a private operator.

**§ 303.1-3 Protection of internal revenue prior to tax determination.**

(a) *Suits and claims for return of vested property*—(1) *General.* The provisions of this paragraph apply in cases where there has been neither a final nor a tentative determination of internal revenue tax liability. See paragraphs (e) and (f) of § 303.1-4. In such cases vested property shall not be returned except in accordance with this paragraph.

(2) *Notice to Commissioner*—(i) *Suits for recovery.* Where suit for the return of vested property has been instituted under section 9 of the Act, within a reasonable time after answer has been filed or after beginning of the trial of the case, the Attorney General shall, in writing, notify the Commissioner of the property involved and the name, address, citizenship, residence, and business organization of the claimant, and any other pertinent information.

(ii) *Return without suit.* At least 90 days prior to any return of vested property pursuant to section 32 of the Act the Attorney General shall in writing notify the Commissioner in the manner prescribed in subdivision (i) of this subparagraph.